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DATE: June 12, 2023
TIME: 9:46 AM

**Warrant Committee Education Subcommittee
Joint Meeting with the School Committee
February 14, 2023 7:35 PM (for joint portion of School Committee meeting)
Homer Building Gallery, 3rd Floor and Remote via Zoom**

Meeting Minutes

Members in Attendance

Warrant Committee Education Subcommittee: Anne Helgen, Paul Rickter, Laurie Slap (remote), Matt Taylor, Jack Weis

School Committee: Kate Bowen, Amy Checkoway, Mike Crowley, Jeff Liberty, Meg Moriarty, Jamal Saeh

School Department Administration: Superintendent John Phelan (remote), Finance Director Tony DiCologero, Assistant Superintendent Janice Darias

Call to Order

The meeting was called to order at 8:44 PM.

Review of FY 23 Q2 Financial Results

Tony began by going through a slide deck presentation. Bottom line, in Q1, the School Department was projecting a positive year-end balance of about \$150,000. They are currently anticipating a negative year-end balance of about \$885,000. The key drivers of the projected deficit and the change from Q1 include:

- SPED expenses are about \$700,000 higher than what was projected in Q1, and now show a total shortfall of \$1 million relative to the budget. More specifically:
 - OOD enrollments have grown by 24 students (21%) since last June. Consequently, OOD tuitions are up \$540,000 from what was projected in Q1.
 - SPED transportation costs are expected to end the year about \$400,000 in the red, about \$100,000 more than was expected in Q1.
 - Contract services (the in-district and out-of-district SPED services that the School Department provides) are expected to be \$320,000 higher than what was projected in the FY23 budget (an increase of about \$55,000 from Q1).
- Administrative salaries – The department is projecting a deficit of about \$300,000, an increase of \$100,000 since Q1. This is driven by both the unbudgeted hiring of a Reconfiguration Director in FY23, plus accrued benefits for administrative staff that are retiring at the end of FY23. The \$100,000 of accrued benefits for retiring administrative staff was not in the Q1 numbers because the impending retirements weren't known at the time.
- Substitutes – The department is projecting a year-end deficit of about \$130,000 in the substitute budget account based on expenses incurred to date and the historic 10-year pattern of substitute expenses incurred throughout the year.

John shared a number of steps that the administration has taken in response to the projected deficit. Specifically, the department is planning to exhaust the General Fund SPED reserve and use all carryforward state and federal reserves to cover OOD tuitions. In addition, they have frozen hiring and have restricted the purchases of new materials and supplies unless the Superintendent's office has provided prior approval. The department is also looking at ways to potentially shift some expenses to the revolving funds that were originally budgeted to be

covered by the General Fund. Through these mitigation measures, the department expects to be able to cover about \$575,000 of the \$885,000 shortfall, leaving a remaining deficit of \$310,000 that will still need to be funded somehow (potentially via a request to utilize the Warrant Committee Reserve Fund).

Some of the questions asked by School Committee and Warrant Committee members included:

- Mike Crowley asked if the department was doing any thinking about what measures might be taken if the Q3 and Q4 numbers came in even worse.
- Anne Helgen asked if we had requested emergency relief funds from the State of Massachusetts through the Circuit Breaker program and what the expectation around receiving those funds were.

Adjournment

The meeting was adjourned at 10:08 PM.